

THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION  
If you do not understand it or are in doubt as to its contents or how to act,  
please contact your professional adviser immediately.

## TARGET'S STATEMENT

This Target's Statement has been issued by **Automotive Solutions Group Limited ACN 613 474 089**, in response to the  
bid by **AMA Group Limited ACN 113 883 560**  
to acquire the Shares in Automotive Solutions Group Limited.

## REJECT THE OFFER

Your Directors unanimously recommend that  
you **REJECT** the Offer and do nothing in  
relation to the AMA Group's Bidder's  
Statement dated 23 May 2017.

LEGAL ADVISER

**GRT** LAWYERS 

## IMPORTANT NOTICES

This Target's Statement, dated 6 June 2017, is given by Automotive Solutions Group Limited ACN 613 474 089 ("ASGL") under Part 6.5 of the Corporations Act in response to the Offer made pursuant to the Bidder's Statement dated 23 May 2017 which was served on ASGL by the Bidder on 23 May 2017.

### Defined terms

A number of defined terms are used in this Target's Statement. Defined terms have been capitalised. These terms are explained in the glossary in Section 8.

### Financial Data

All dollar values are in Australian dollars unless stated otherwise.

### ASIC and ASX disclaimer

A copy of this Target's Statement has been lodged with ASIC and sent to ASX. None of ASIC, ASX or any of their respective officers takes any responsibility for the content of this Target's Statement.

### No account of personal circumstances

This Target's Statement does not take into account the individual investment objectives, financial or tax situation or particular needs of each ASGL Shareholder. This document does not contain personal financial or taxation advice. Before making a decision in relation to the Offer, you may wish to seek independent financial, taxation and other professional advice.

### Disclaimer regarding forward looking statements

This Target's Statement contains various forward looking statements. You should be aware that these statements are predictions only and are subject to inherent risks and uncertainties in that they may be affected by a variety of known and unknown risks, variables and other factors. Those risks and uncertainties include factors and risks specific to the industry in which ASGL operates as well as general economic conditions and conditions in the financial markets. Many of these risks are beyond the control of ASGL. Actual events or results may differ materially from the events or results expressed or implied in any forward looking statement and deviations are both normal and to be expected.

None of ASGL, any of its officers, or any person named in this Target's Statement with their consent or any person involved in the preparation of this Target's Statement makes any representation or warranty (either express or implied) as to the accuracy or likelihood of fulfilment of any forward looking statement, or any events or results expressed or implied in any forward looking statement. You are cautioned not to place undue reliance on those statements. The forward looking statements in this Target's Statement reflect views held as at the date of this Target's Statement.

### Notice to Foreign Shareholders

The release, publication or distribution of this Target's Statement in jurisdictions other than Australia may be restricted by law or regulation in such other jurisdictions and persons who come into possession of it should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable laws or regulations. This Target's Statement has been prepared in accordance with Australian law and the information contained in this Target's Statement may not be the same as that which would have been disclosed if the Target's Statement had been prepared in accordance with the laws and regulations outside Australia.

### Privacy Statement

ASGL has collected your information from the register of ASGL Shareholders for the purpose of providing you with this Target's Statement. The type of information ASGL has collected about you includes your name, contact details and information of on your shareholding (as applicable) in ASGL. Without this information, ASGL would be hindered in its ability to issue this Target's Statement. The Corporation Act requires the name and address of Shareholders to be held in a public register. Your information may be disclosed on a confidential basis to external service providers (including ASGL Share Registry and print and mail service providers) and may be required to be disclosed to regulators such as ASIC. If you would like details of information about Shares you hold by ASGL, please contact:

Link Market Services Limited  
Level 15, 324 Queen Street,  
Brisbane QLD 4000  
Phone: 1800 502 355

### Information on Bidder in this Target's Statement

Except where disclosed otherwise, the information on the Bidder in this Target's Statement has been obtained from the Bidder's Statement. ASGL and its Directors are unable to verify the accuracy or completeness of the information on the Bidder.

Subject to the Corporations Act, neither ASGL, nor its officers make any representation or warranty, express or implied, regarding such information and disclaim any responsibility in respect of that information.

### ASGL Shareholder Information Line

ASGL has established a Shareholder Information Line which ASGL Shareholders should call if they have any queries in relation to the Offer. The telephone number for the Shareholder Information Line is:

- within Australia: (07) 3607 3836
- outside Australia: +61 7 3607 3836

The Shareholder Information Line is available Monday to Friday between 8.30am and 5.30pm (AEST).

## CONTENTS

Section 1 .....	8
REASONS TO REJECT THE OFFER .....	8
Section 2 .....	16
KEY INFORMATION .....	16
Section 3 .....	19
YOUR CHOICES AS AN ASGL SHAREHOLDER.....	19
Section 4 .....	20
INFORMATION ABOUT THE OFFER AND OTHER IMPORTANT ISSUES .....	20
Section 5 .....	22
ABOUT ASGL .....	22
Section 6 .....	25
INTERESTS OF DIRECTORS .....	25
Section 7 .....	26
ADDITIONAL INFORMATION.....	26
Section 8 .....	28
GLOSSARY .....	28
Section 9 .....	30
CORPORATE DIRECTORY.....	30
Annexure A .....	31
LIST OF MATERIAL ANNOUNCEMENTS.....	31



## KEY DATES

Date of the Bidder's Statement	23 May 2017
Date of this Target's Statement	6 June 2017
Offer Period officially commences	6 June 2017
Close of the Offer Period (unless extended or withdrawn)	7 July 2017



## KEY POINTS

1

The Bidder is offering \$0.35 in cash for each Automotive Solutions Group Share you hold. The Offer Price is **INADEQUATE**.

2

The Directors recommend that you **REJECT** the Offer and **TAKE NO ACTION** in relation to the Offer.

3

Shareholders should carefully consider both the Bidder's Statement and this Target's Statement in their entirety.

4

Each Director currently intends to **REJECT** the Offer in respect of their Automotive Solutions Group Shares.

5

Shareholders have the following choices:

- **REJECT** the Offer and **HOLD** your shares; or
- Accept the Offer for all or part of your Shares; or
- Sell your Shares on market.

6

If you accept the Offer, you cannot withdraw acceptance or accept any other offers or increased offers.

7

The Offer will expire 7 July 2017, 7:00pm AEST (unless extended or withdrawn in accordance with the Corporations Act).



## CHAIRMAN'S LETTER

6 June 2017

Dear Shareholder,

### **REJECT the AMA Group Limited's Offer**

You should have recently received an offer from AMA Group Limited (AMA) to purchase some or all of the shares you own in Automotive Solutions Group Limited.

Your Directors believe that the Offer Price of \$0.35 per ASGL Share is **inadequate** and does not reflect the full value of the company and its future prospects. Although the recent period has been challenging for the Company, your directors and management are focused on achieving the best outcome for you the shareholder.

The timing of the AMA offer is **opportunistic** and seeks to take advantage of the reduction in the ASGL Share price prior to the Company's implementation of a strategic review and improvements led by the appointment of a turnaround team. Accordingly, your Directors unanimously recommended that you **REJECT THE OFFER** by doing nothing.

Directors believe the key reasons you should **REJECT THE OFFER** are:

1. The Offer represents an insufficient premium to the closing ASGL Share price as at 5 June 2017 (being the last Business Day before this Target's Statement was printed).
2. The Offer is opportunistically timed to exploit a period of temporary share price weakness.
3. The Company is positioned to deliver future value through an increase in earnings guidance announced to the market at the time of this Target Statement.
4. The Bidder has outlined a limited set of plans and capabilities and is relying on an inadequate Offer Price to extract value at your expense.
5. The Bidder has not declared its Offer final.
6. If Shareholders accept the Offer they may not benefit from the opportunity to accept any other offers or an increased Offer Price.

AMA's Bidder's Statement does not disclose any plan to improve Shareholder value beyond what is expected to be achieved by the initiatives currently undertaken by the Board and Management of ASGL. AMA's offer attempts to take control of ASGL without paying an adequate premium based on the closing price of the Shares on the 5<sup>th</sup> of June 2017 and without sufficiently detailing a plan to improve Shareholder value.

Your Directors also consider that the AMA Offer **does not provide Shareholders a sufficient premium** to compensate them for the fact that AMA will gain control of ASGL and obtain synergies if the Offer is successful. **A zero control premium has been offered by AMA.**

ASGL is taking action to improve performance. The Board has significantly strengthened ASGL's management capability with the appointment of a focused turnaround team. This team is conducting a broad ranging strategic review and has identified certain strategic priorities designed to improve profitability and growth. Your Board believes that the outcomes of the strategic review will improve performance and maximise the value of your ASGL Shares. The AMA Offer includes a stated intention to conduct a strategic review, with the intention of deriving the benefits of that strategic review for itself.

For the reasons outlined above and elsewhere in this Target's Statement, we recommend that you **REJECT THE OFFER** by doing nothing. The Bidder would not be offering to buy your Shares at the Offer Price unless it expected to make a good return, and this return should be yours to collect by holding your Shares.

All Directors of ASGL intend to reject AMA's Offer in relation to the Shares that they hold.

On behalf of all Directors of ASGL, I thank you for your continued support.

Your Board will continue to keep you updated as developments occur. Should you have any queries, in the meantime, please contact the ASGL Information Line on (07) 3607 3836 (within Australia), or +61 7 3607 3836 (callers outside Australia).

Yours sincerely



Tom Phillips  
Executive Chairman  
Automotive Solutions Group Limited

## Section 1

### REASONS TO REJECT THE OFFER

THE OFFER OF \$0.35 PER ASGL SHARE IS **INADEQUATE** AND DOES **NOT** REPRESENT FULL VALUE OF THE BUSINESS

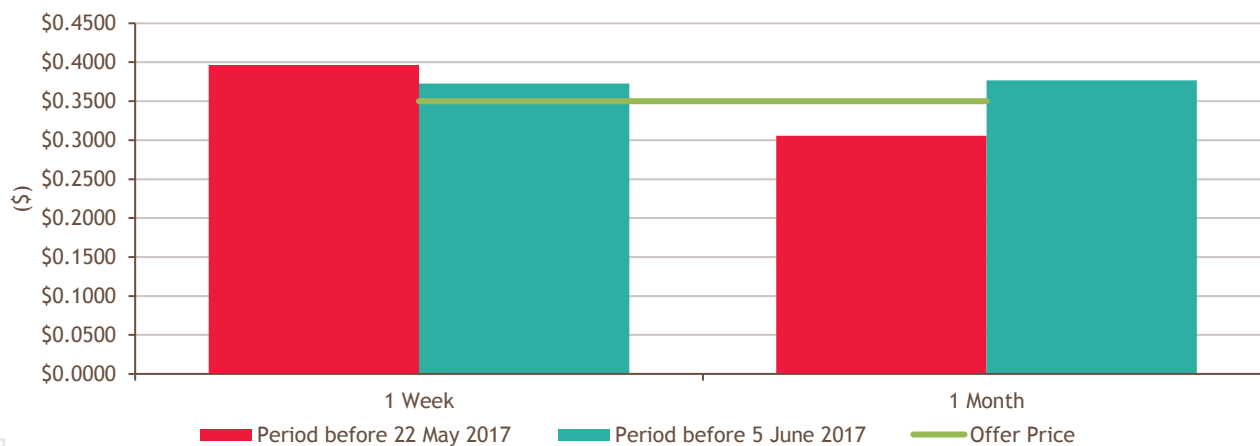
#### The Offer does NOT represent full value

##### 1.1 The Offer Price does not represent the full value of the Company

Figure 1.1 below sets out and compares the Offer Price with the VWAP of ASGL Shares traded on the ASX for the periods stated prior to:

- 22 May 2017, being the day prior to the announcement of the unsolicited offer from AMA; and
- 5 June 2017, being the last Business Day before this Target's Statement was printed.

Figure 1.1: ASG's VWAP



Source: Capital IQ as at 5 June 2017

The Offer does **not** represent any premium over the past month before the date of this Target's Statement or the one week period since the Offer was made and in fact, **the Offer represents a marginal discount.**

The Offer also doesn't represent full value as it does NOT take into account the revised earning guidance provided with the Target's Statement.



## 1.2 Premiums and Discounts Implied by the Offer

The Offer Price represents the following premiums and discounts to the one week and one month VWAP's prior to 22 May 2017 and 5 June 2017.

**Table 1.1: Premiums and Discounts Implied by the Offer**

	VWAP for the Period before 22 May 2017 (\$)	VWAP For the Period before 5 June 2017 (\$)	Premium/(Discount) for the Period before 22 May 2017 (%)	Premium/(Discount) for the Period before 5 June 2017 (%)
1 Week	\$0.3964	\$0.3728	-11.7%	-6.1%
1 Month	\$0.3058	\$0.3766	14.5%	-7.1%

Source: CapitalIQ, 5 June 2017

The Offer Price represents a discount to all VWAP's in the above table with the exception of the 1 month VWAP prior to 22 May 2017 (premium of 14.5%). This premium is predominately due to the brief drop in share price following the updated earnings guidance released 26 April 2017.

## 1.3 Control Premium

AMA is not offering an appropriate premium for control of ASGL.

A controlling interest in a Company is usually regarded as being more valuable than a minority interest as it provides the owner with control over the operating and financial decisions of the Company, the right to set the strategic direction of the Company, control over the buying, selling and use of the Company's assets, and control over appointment of staff and setting financial policies.

The control premium observed in a given takeover bid may be impacted by a range of factors, including the:

- specific value that may have been applicable to the acquirer at the time of the transaction;
- level of ownership already held by the acquirer in the target;
- level of speculation in the market about a transaction between the target and the acquirer;
- presence of competing bids for the target; and
- prevailing strength of the market and the economy more broadly at the time of the transaction.

## 1.4 Typical Control Premium

The following information is generally considered to determine an appropriate control premium range to apply to a takeover target:

- control premiums implied in merger and acquisition transactions of broadly comparable automotive components companies operating in Australia;
- independent expert's reports which generally apply control premiums in the range of 20% to 40%; and,
- various industry and academic research, which suggests that control premiums are typically within the range of 20% to 40%.

Having regard to Table 1.1 above, it appears that the premiums and discounts implied by the Offer are well below the control premium ranges set out above (i.e. 20% to 40%).

## 1.5 Longer term Share Price consideration not reflected in Offer

The Directors believe that shareholders should have a longer-term view of the share prices when calculating the premium or discount implied by the Offer. At \$0.35 per share:

- The Offer Price is at a discount to the 1 week VWAP prior to 22 May 2017; and
- The Offer is at a discount to the 1 week and 1 month VWAP's prior to 5 June.

Furthermore, the Offer Price does not represent the full value due to the below reasons:

- as at 5 June 2017, the share price of ASGL is higher than the Offer (\$0.365);
- ASGL's daily VWAP was below \$0.35 for a short period only (from 26 April 2017 to 8 May 2017);
- ASGL's VWAP was \$0.3764 from the date of AMA's announcement of an acquisition of a 17.77% interest in ASGL (8 May 2017) to 5 June 2017; and
- ASGL's VWAP was \$0.3764 from the date of the Offer (23 May 2017) to 5 June 2017.

## 1.6 Broadly Comparable Trading Multiples

ASGL's trading multiples are significantly below that of broadly comparable companies. Table 1.2 sets out the enterprise value ('EV') to EBIT multiples for ASGL relative to companies in the auto parts and accessories sector immediately prior to the announcement of the Offer (22 May 2017).

**Table 1.2: Broadly Comparable Trading Multiples**

Company	Enterprise Value (\$million)	Market Cap (\$million)	Revenue (\$million)	EV/EBIT Multiple	EV/EBIT Multiple	EV/EBIT Multiple
				FY2016 (times)	FY2017 (times)	FY2018 (times)
AMA Group Limited	556	532	264	31.2	16.8	14.1
ARB Corporation Limited	1,291	1,303	357	21.4	18.8	16.8
Autosports Group Limited	645	406	1,033	21.8	14.3	11.1
Bapcor Limited	1,471	1,492	686	21.6	14.4	10.6
MotorCycle Holdings Limited	160	137	197	15.9	11.5	9.9
PWR Holdings Limited	207	208	47	13.1	17.9	14.1
Automotive Solutions Group Limited	14	18	N/A	2.3 <sup>(a)</sup>	N/A <sup>(b)</sup>	4.9-4.5 <sup>(c)</sup>
<b>Average (excluding ASG)</b>	<b>722</b>	<b>680</b>	<b>431</b>	<b>20.8</b>	<b>15.6</b>	<b>12.8</b>
<b>Median (excluding ASG)</b>	<b>601</b>	<b>469</b>	<b>311</b>	<b>21.5</b>	<b>15.6</b>	<b>12.6</b>

Source: Capital IQ as at 22 May 2017

(a) Based on pro forma FY2016 EBIT as per prospectus of \$6.021 million

(b) Full financial year results not available for FY2017

(c) Based on half year earnings guidance of \$1.4 million to \$1.5 million for 1H FY2018, annualised (\$2.8 million to \$3.0 million EBIT for FY2018)

With respect to ASGL and comparable trading earnings multiples:

- ASGL's pro forma FY2016 EBIT multiple of 2.3 times is significantly lower than the median FY2016 EBIT multiple of 21.5 times for the comparable companies; and
- ASG's annualised FY2018 EBIT multiple (based on half year earnings guidance of \$1.4 million to \$1.5 million) of 4.9 to 4.5 times is significantly lower than the median FY2018 EBIT multiple of 12.6 times for the comparable companies.

## 1.7 Broadly Comparable Transaction Multiples

The earnings multiples at which broadly comparable transactions in the automotive components industry have occurred support a higher value of ASGL. Table 1.3 sets out the EV to EBIT multiples for broadly comparable transactions in the automotive components sector over the period from 2005 to 2017.

**Table 1.3: Broadly Comparable Transaction Multiples**

Ann. Date	Target Company	Bidder Company	EV (\$million)	Revenue (times)	EV/EBIT Multiple Historical (times)	EV/EBIT Multiple Forecast (times)
15/06/2015	Aftermarket Network Australia Pty Ltd	Bapcor Limited	275	261	9.9	N/A
31/07/2013	Futuris Automotive Interiors (Australia ) Pty Ltd.	Clearlake Capital Group, L.P.	69	331	14.1	3.7
11/03/2013	Exego Group Pty Ltd (70% Stake)	Genuine Parts Company	1,028	1,053	13.7	16.7
26/09/2011	Exego Group Pty Ltd (30% Stake)	Genuine Parts Company	889	1,002	14.4	15.0
02/07/2010	WorldMark Pty Ltd	Navis Capital Partners Limited	96	99	6.7	14.9
22/10/2007	Drivetrain Australia Pty Ltd	Engenco Limited	15	34	4.9	6.0
11/12/2006	Repco Limited	Unitas Capital Pte. Ltd.	554	910	11.9	N/A
18/10/2006	Pacifica Group Limited	Robert Bosch GmbH	535	804	10.2	N/A
<b>Average</b>			<b>433</b>	<b>562</b>	<b>10.7</b>	<b>11.2</b>
<b>Median</b>			<b>405</b>	<b>567</b>	<b>11.0</b>	<b>14.9</b>

Source: MergerMarket as at 22 May 2017

## The Offer is Opportunistic in Nature

### 1.8 The Offer was made when ASG's share price was relatively low

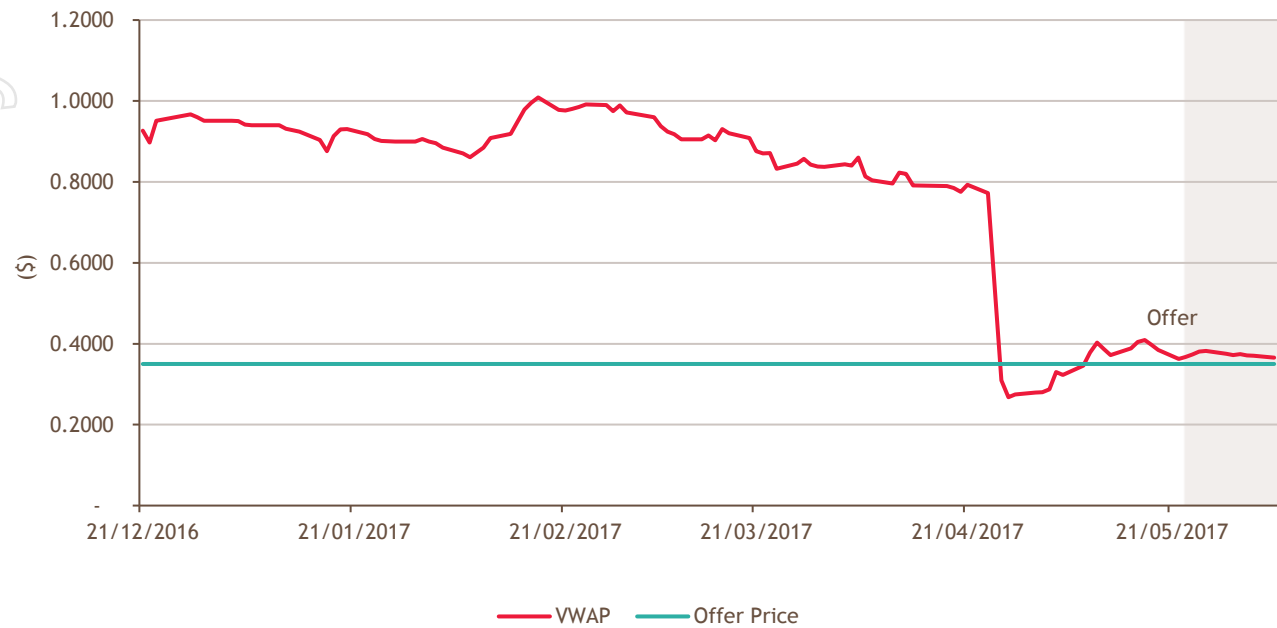
The share price was relatively low predominately due to an earnings downgrade that was announced to the market on 26 April 2017 as a result of:

- Competitive pressure in the regional Victorian retailing business;
- Deferral and postponement of specific steel fabrication orders budgeted for Q4 of FY2017;
- Slower than anticipated Q3 FY2017 performance in the Roo Systems business, albeit with a stronger than anticipated order book heading into Q4 FY2017; and
- Ongoing investment in development of standardised marketing collateral to leverage group-wide customer touch points across all acquired businesses.

In addition, the consolidation of the eight businesses (acquired as part of the initial public offering) and realisation of the associated benefits is taking longer than expected.

Figure 1.2 below sets out the share price performance of ASGL from 21 December 2016 (listing date) to 5 June 2017. The shaded area of the below graph represents the share price performance of ASGL after the Offer.

Figure 1.2: ASG's Share Price Performance



Source: Capital IQ as at 5 June 2017



# ASGL IS WELL POSITIONED TO DELIVER AN INCREASE IN VALUE TO OUR SHAREHOLDERS

In May 2017, prior to the announcement of the AMA bid, the Company commenced a wide ranging strategic review of its operations.

## 1.9 Turnaround Strategy

The review focuses on identifying and delivering

- revenue growth;
- maintaining and improving margins;
- improving operational performance;
- reviewing financial control;
- accelerating and completing the integration of the business units;
- optimising costs between the business units and corporate head office;
- conducting a program to evaluate the effectiveness of well-developed plans yet to be field tested;
- further development of the executive team; and,
- developing new market potential.

This strategic review and the implementation of its recommendations are being conducted by a focused team, with the support of the acting Company CEO and COO. The team is headed by Andrew Johnson who has 23 years experience in corporate services and the implementation of strategic objectives in business turnaround and business development scenarios. Andrew has worked extensively for corporate law firms and accounting firms to provide inter alia, focused business outcomes, acquisitions and the delivery of improved performance for his clients.

- Positive FY18 Outlook - as a priority, the Company has accelerated a number of planned revenue and cost initiatives, including:
  - further expansion of product offering to existing customers, including within the regional Victorian retailing business, to capitalise on cross-selling opportunities and synergies across the Group;
  - re-branding initiative being undertaken in order to maximise vertical integration opportunities;
  - introducing an integrated centre of excellence including replicating the highly successful Toowoomba store's business strategies in Victoria.
  - launch of recently developed marketing collateral to increase revenue opportunities across the Group in the short-term, and
  - re-structure of the order pipeline within the steel manufacturing division to minimise fluctuations in quarterly performance.
- The Company expects an improved performance in 1H FY18 following the implementation of the above strategies combined with finalisation of the business reviews currently underway and the continued development of the product range and distribution opportunities within the existing network.

In light of the above initiatives, the Directors of ASGL provide an earning guidance in Table 1.4 for the 6 months ending 31 December 2017.



**Table 1.4: Earnings Guidance 1H FY18**

	6 months ending 31 December 2017 (\$million)
Revenue	17 – 18
EBIT	1.4 – 1.5

Source: ASGL

The Company expects that the initiatives it has implemented will deliver further improvement in the second half of the 2017/18 financial year, but at this point in time, is only able to provide updated earnings guidance for the half year ending 31 December 2017.

Please be aware that the earnings guidance is a prediction only and is subject to inherent risks and uncertainties in that they may be affected by a variety of known and unknown risks, variables and other factors. Those risks and uncertainties include factors and risks specific to the industry in which ASGL operates as well as general economic conditions and conditions in the financial markets. Many of these risks are beyond the control of ASGL.

#### **1.10 ASGL only recently consolidated, and the benefits of consolidation have not yet been realised**

ASGL has not yet achieved the benefits associated with consolidation of the Initial Portfolio acquired in December 2016. These benefits are expected to result in improved performance for FY2018.

#### **1.11 Recent Achievements Regarding Consolidation**

In addition to achieving the acquisition and integration of eight businesses since December 2016, the Company has completed the following initiatives in Q3 FY2017:

- implementation of a common reporting platform across all acquired businesses;
- commencement of a centralised procurement for group-wide services including telecommunications, IT services and freight;
- increased distribution of group-branded products throughout the internal distribution network; and
- development of marketing collateral showcasing group-branded products and services.



## AMA WANTS TO EXTRACT VALUE AT YOUR EXPENSE

### 1.12 Future Benefits Expected from Performance Improvement Initiatives

AMA has indicated that it intends to undertake a strategic review of the ASGL businesses, which the ASGL Directors are already progressing. Shareholders who accept the Offer will lose the potential to benefit from any improvements expected from the strategic review and initiatives already underway, which AMA is seeking to derive for itself. If ASGL shareholders accept the Offer, AMA will gain the benefits of improved performance at the expense of ASGL shareholders.

### 1.13 The Offer Price does not reflect the strategic value of ASGL to AMA.

AMA has recognised and highlighted the strategic and financial value it sees in ASGL in its Bidder's Statement.

In the Bidder's Statement, AMA has set out its intention, which is to assist ASG's management with their operating activities, seeking to grow and expand the size and profitability of ASGL. In addition, where AMA controls more than 50% of voting power in ASGL, it proposes to conduct a strategic review of ASGL's strategy, operations, activities, assets and employees. The strategic review will focus on, and have as its objectives, the following:

- Integrating management operating systems and platforms, administrative procedures, systems and reporting lines;
- Reviewing management, employees and operations;
- Identifying potential synergies and cost savings, including rent, professional advisory fees and other synergistic operational cost; and
- Identifying any revenue enhancement opportunities that may become available through interaction with other parts of the AMA group of entities.

ASGL are already in the process of completing a strategic review and management believe that they can grow and expand the size and profitability of ASGL, independent of AMA. If ASGL shareholders accept the Offer, AMA will gain the benefits of improved performance at the expense of ASGL shareholders.

### 1.14 No benefit from an increased offer

If Shareholders accept the Offer, they will not benefit from any increase in the ASGL Share Price, nor will they benefit from any increase in AMA's offer.

To **REJECT** the Offer by AMA, simply **DO NOTHING**.

## Section 2

### KEY INFORMATION

This Section is not intended to address all issues that may be relevant to you.

This Section should be read together with the rest of this Target's Statement.

2.1 What is the Offer?	The Bidder is offering \$0.35 for each ASGL Share you hold.
2.2 What choices do I have as an ASGL Shareholder?	<p>As an ASGL Shareholder you have the choice to:</p> <ul style="list-style-type: none"> <li>• <b>REJECT the Offer/do nothing</b> and remain an ASGL Shareholder, subject to your ASGL Shares being compulsorily acquired by the Bidder (see section 4.5 for further explanation);</li> <li>• Accept the Offer for some or all of your ASGL Shares; or</li> <li>• Sell your ASGL Shares on market, which may be at a higher or lower price than the Offer Price.</li> </ul> <p>ASGL Shareholders should carefully consider the Directors' recommendation and other important issues set out in this Target's Statement before making a decision.</p>
2.3 What do your Directors recommend?	Your Directors recommend that you <b>REJECT the OFFER</b> . The reasons for your Directors' recommendation are detailed in Section 1. If there is a change in this recommendation or any material developments in relation to the Offer, ASGL will lodge a supplementary target's statement.
2.4 What should I do?	To follow the Directors' recommendation to <b>REJECT the Offer</b> , do nothing. If you do not understand the Offer or are in doubt as to how to act, you should seek independent financial and taxation advice from your professional adviser in relation to the action that you should take.
2.5 What do the Directors intend to do with their ASGL Shares?	Each Director who holds ASGL Shares intends to <b>REJECT the Offer</b> in relation to those ASGL Shares.
2.6 How do I accept the Offer?	To accept the Offer, you must follow the instructions on page 5 of the Bidder's Statement. However, you should note that the Directors' recommendation is that you <b>REJECT the Offer</b> .
2.7 How do I REJECT the Offer?	<p>ASGL Shareholders who do not wish to accept the Offer or sell their ASGL Shares on market should <b>DO NOTHING</b>.</p> <p>If you do not wish to accept the Offer, do not take any action in relation to documents sent to you by the Bidder.</p>
2.8 If I accept the Offer now, can I withdraw my acceptance?	No, once you have accepted the Offer, you will be legally bound to sell those Shares to the Bidder and you cannot later withdraw your acceptance.

2.9 Can the Bidder vary the Offer?	Yes. The Bidder can vary the Offer by extending the Offer Period or increasing the Offer Price.
2.10 When does the Offer finish?	<p>The Bidder has stated that the Offer remains open until 7:00pm (Brisbane time) on 7 July 2017. It is possible that the Bidder may choose to extend the Offer Period in accordance with the Corporations Act. The Offer Period may also be automatically extended in certain circumstances.</p> <p>If you wish to follow the Directors' recommendation and <b>REJECT the Offer</b>, and <b>DO NOTHING</b>.</p>
2.11 What will happen if the Bidder raises its Offer Price?	If you have already accepted the Offer, you will NOT be entitled to any increase in the Offer Price.
2.12 What happens if I accept the Offer and a Superior Offer is made for my ASGL Shares after I accept?	If you accept the Offer, you will be unable to accept a Superior Offer if one is made.
2.13 What happens if I do nothing?	<p>You will remain an ASGL Shareholder.</p> <p>If the Bidder acquires 90% or more of the ASGL Shares, the Bidder intends to compulsorily acquire your ASGL Shares. See Section 4.5 of the Bidder's Statement for more details.</p> <p>If the Bidder acquires between 50% and 90% of ASGL Shares, you will be a minority shareholder in ASGL. The implications of this are described in Section 4.3 of this Target's Statement and Section 6.5 of the Bidder's Statement.</p>
2.14 Can I be forced to sell my ASGL Shares?	You cannot be forced to sell your ASGL Shares unless the Bidder proceeds to compulsory acquisition of ASGL Shares. The Bidder and their associates will need to acquire at least 90% (by number) of ASGL Shares (under the Offer or otherwise) and 75% (by number) of ASGL Shares the Bidder offered to acquire under the Offer, in order to exercise compulsory acquisition rights. If the Bidder achieves this and proceeds to compulsory acquisition, then you will be paid the same consideration as is payable by the Bidder under the Offer and you will be forced to sell your ASGL Shares.
2.15 Will there be any costs associated with accepting the Offer?	By accepting the Offer you will not pay the Bidder's brokerage costs. You may incur brokerage to your broker if you choose to accept the Offer. There may also be taxation consequences specific to your circumstances. You should confirm the fees, taxes and costs with your broker, accountant, taxation specialist and/or financial adviser.

2.16 What are the tax implications of accepting the Offer?	<p>A general description of the taxation treatment for certain Australian resident ASGL Shareholders accepting the Offer is set out in Section 8 of the Bidder's Statement. Shareholders who are resident in a jurisdiction other than Australia should seek their own professional tax advice.</p> <p>Because this advice is general in nature and does not take into account your individual circumstances, you should not rely on those descriptions as advice for your own affairs.</p> <p>You should consult your taxation adviser for detailed taxation advice before making a decision as to whether or not to accept the Offer for your ASGL Shares. You may, for example, be liable for CGT if you sell your ASGL Shares.</p>
2.17 Can I sell my ASGL Shares on market?	<p>Yes, unless you have accepted the Offer you can sell your ASGL Shares on market. If you sell your ASGL Shares on market:</p> <ul style="list-style-type: none"> <li>• you will not benefit from any possible increase in the value of ASGL Shares; and</li> <li>• you will not benefit from any possible increase in the consideration that may be provided under the Offer or a Superior Offer, if one is made.</li> </ul>
2.18 Can Foreign Shareholders accept the Offer?	<p>Foreign Shareholders can accept the Offer by selling their Shares to the Bidder like any other Shareholder.</p>
2.19 If I accept the Offer, when will I be paid?	<p>The usual rules for settlement of transactions which occur on-market on ASX will apply in respect of this Offer meaning that an accepting Shareholder will receive payment on a normal T+2 basis.</p>
2.20 How can I get updates on the ASGL Share price?	<p>If you have access to the internet, you can receive updates by visiting the ASX website at <a href="http://www.asx.com.au">www.asx.com.au</a>.</p>
2.21 Who should I call if I have any questions on the Offer?	<p>ASGL has established a Shareholder Information Line for ASGL Shareholders in relation to the Offer. The telephone number is (07) 3607 3836 (within Australia), and +61 7 3607 3836 (outside of Australia). It is available Monday to Friday between 8.30am and 5.30pm (AEST).</p> <p>Announcements made to ASX by ASGL and other information relating to the Offer can be obtained from ASGL's website at <a href="http://www.asgl.com.au">www.asgl.com.au</a>. Alternatively, you should obtain independent advice from your professional adviser, as necessary.</p>



## Section 3

### YOUR CHOICES AS AN ASGL SHAREHOLDER

#### The Directors unanimously recommend that you **REJECT** the Offer

**3.1** As an ASGL Shareholder you have the following choices available to you:

a) **REJECT the Offer**

- ASGL Shareholders who do not wish to accept the Offer or sell their ASGL Shares on market should **DO NOTHING**.
- If you do not wish to accept the Offer, do not take any action in relation to the documents sent to you by the Bidder.

b) **Accept the Offer**

ASGL Shareholders who accept the Offer:

- will only receive the Offer Price; and,
- will not be able to withdraw their acceptance and sell their ASGL Shares, meaning that they will not be able to accept a higher price from a competing bidder if a Superior Proposal eventuates (refer to Section 4.4 of this Target's Statement).

ASGL Shareholders who wish to accept the Offer should refer to the Bidder's Statement for instructions on how to do so.

c) **Sell your ASGL Shares on market**

If you have not already accepted the Offer, you can still sell your ASGL Shares on market for cash. On 5 June 2017 (being the last Business Day before this Target's Statement was printed), the price of ASGL Shares closed at \$0.365, a 4.3% premium to the Offer Price of \$0.35. The latest price of ASGL Shares may be obtained from ASX website [www.asx.com.au](http://www.asx.com.au).

ASGL Shareholders who sell their ASGL Shares on market:

- will lose their exposure to the growth potential of ASGL;
- may incur a brokerage charge;
- may be liable for CGT or income tax on the sale; and
- will not receive the benefits of any potential higher offer from the Bidder or any potential higher competing offer under a Superior Offer for ASGL Shares.

ASGL Shareholders who wish to sell their ASGL Shares on market should contact their broker.

**3.2** In considering your choices, the Directors encourage you to read this Target's Statement in its entirety and seek professional advice if you are unsure of whether accepting or rejecting the Offer is in your best interests, taking into account your individual circumstances.

## Section 4

# INFORMATION ABOUT THE OFFER AND OTHER IMPORTANT ISSUES

### 4.1 Summary of the Offer

The Bidder is offering \$0.35 cash for each of your ASGL Shares. The Bidder has not declared its Offer Price of \$0.35 to be final, so it may increase the Offer Price upon further negotiations with the Board or in the event of an alternative proposal being announced. The Directors do not know whether the Bidder will increase the Offer Price.

The Offer is made to each person registered as a holder of ASGL Shares on the share register of ASGL at 7.00pm (Brisbane time) on 22 May 2017 and extends to ASGL Shares that are issued or otherwise come into existence during the period from this date to the end of the Offer Period due to the conversion of, or exercise of rights attached to, other securities convertible into ASGL shares that are on issue at the Register Date. As at the date of this Target's Statement, there are no such securities on issue. You may accept the Offer in respect of some or all of your ASGL Shares.

The Offer Price values the equity of ASGL at approximately \$17.621 million.

### 4.2 The Bidder's voting power in ASGL

The Bidder's voting power in ASGL and the number of Shares held in ASGL (as at the dates specified) is shown below:

	At the date of the Bidder's Statement	At the date of this Target's Statement
Voting power in ASGL	18.04%	18.04%
Number of ASGL Shares	9,082,119	9,082,119

### 4.3 Consequences of the Bidder acquiring less than 90% of ASGL

If the Bidder acquires more than 50% but less than 90% of the ASGL Shares, then the Bidder will acquire a majority shareholding in ASGL.

In this case, ASGL Shareholders who reject the Offer will be minority shareholders in ASGL. This has a number of possible implications, including:

- The Bidder will be in a position to cast the majority of votes at a general meeting of ASGL. This will enable the Bidder to control the appointment of the Directors of ASGL. Any nominee director would continue to be subject to a duty to act in the best interests of ASGL as a whole.
- The liquidity of ASGL Shares may be lower than at present, and there is a risk that ASGL could be fully or partially removed from certain ASX market indices due to a lack of free float and/or liquidity.

In addition, if the Bidder acquires 75% or more of the ASGL Shares it will be able to pass a special resolution of ASGL. This will enable the Bidder, among other things, to change the ASGL constitution.

If the Offer lapses, or if the Bidder acquires less than 50% of ASGL Shares, the trading price of ASGL Shares may be higher or lower than the Offer Price. If you remain an ASGL Shareholder in this circumstance, you will continue to enjoy the rewards, and be subject to the risks, of being an ASGL Shareholder. In this event, depending on the consequential percentage holding of the Bidder, the Bidder's (new) percentage holding could possibly discourage other potential bidders from making a bid for the Company.

### 4.4 Superior Offer

If you accept the Offer, you may be unable to accept a Superior Offer, if one is made. At this time, the Directors do not know if such an offer will be made.

#### 4.5 Compulsory acquisition

The Bidder has indicated in its Bidder's Statement that if it becomes entitled under the Corporations Act to proceed to compulsorily acquire outstanding ASGL Shares at the end of the Offer Period, it intends to do so.

Under Part 6A.1 of the Corporations Act, the Bidder will be able to compulsorily acquire any outstanding ASGL Shares for which it has not received acceptances, on the same terms as the Offer, if during or at the end of, the Offer Period, the Bidder (taken together with its associates) has:

- a relevant interest in at least 90% (by number) of the ASGL Shares; and
- acquired at least 75% (by number) of the ASGL Shares offered to be acquired.

If this threshold is met, the Bidder will have one month from the end of the Offer Period within which to give compulsory acquisition notices to ASGL Shareholders who have rejected the Offer. The consideration payable by the Bidder will be the Offer Price last offered under the Offer. In certain circumstances if the threshold is not met, the Bidder may still compulsorily acquire all outstanding ASGL Shares with the approval of the Court.

It is important to also be aware that if the Bidder does not become entitled to compulsorily acquire ASGL Shares in accordance with the above procedures, it may nevertheless become entitled to exercise general compulsory acquisition rights under Part 6A.2 Division 1 of the Corporations Act, should the Bidder subsequently acquire sufficient ASGL Shares to give it a relevant interest in 90% (by number) of ASGL Shares. This may occur, for example, by way of item 9 of section 611 of the Corporations Act which would permit the Bidder to acquire 3% of ASGL Shares on issue in any 6 month period after it has held a stake of greater than 19% for 6 months, without contravening the Corporations Act.

If ASGL Shares are compulsorily acquired, ASGL Shareholders whose ASGL Shares are compulsorily acquired are not likely to receive any payment until at least one month after the compulsory acquisition notices are sent. ASGL Shareholders may challenge any compulsory acquisition, but this would require the relevant ASGL Shareholders to establish to the satisfaction of a court that the terms of the Offer do not represent fair value for the ASGL Shares.

#### 4.6 Market trading

ASGL Shareholders who accept the Offer will be giving up their rights to sell or otherwise deal with their ASGL Shares.

#### 4.7 Taxation

This Section sets out general information about the tax implications of the Offer for ASGL Shareholders. This information is of a general nature only.

ASGL Shareholders should seek their own taxation advice, having regard to their own circumstances. ASGL Shareholders should refer to Section 8.1 of the Bidder's Statement for a full description of the tax implications of accepting the Offer.

Importantly, depending on the individual circumstances, ASGL Shareholders who are Australian residents and hold their ASGL Shares on capital account may realise a gain or a loss and may incur a liability for taxation by selling their ASGL Shares to the Bidder. The extent of any tax liability will depend on each ASGL Shareholder's individual circumstances.

ASGL Shareholders who are individuals, certain trusts or superannuation funds may be eligible to claim a CGT discount on any net gains arising on ASGL Shares acquired at least 12 months before disposal. No discount is available on any capital gain made on acceptance of the Offer if that acceptance is made within 12 months of the date of acquisition of those ASGL Shares.

#### 4.8 How to accept the Offer

Instructions on how to accept the Offer are set out on page 5 of the Bidder's Statement.

## Section 5

### ABOUT ASGL

#### 5.1 Background information on ASGL

ASGL has been established to acquire the Initial Portfolio and become a provider of automotive solutions in the 4x4/SUV market. Focusing on aggregation and organic growth opportunities in design, manufacturing, distribution and retail of parts, and accessories and performance technology, ASGL will service private and fleet vehicle owners through retail and trade outlets.

ASGL was incorporated in 2016 and has acquired eight (8) cornerstone businesses that will form a foundation from which ASGL can build an automotive retail and distribution network across Australia ('Initial Portfolio'). The Initial Portfolio has a long standing presence in their respective local communities and the industry (including in some cases across three generations of family ownership).

The Initial Portfolio has 11 strategically important locations in Queensland, New South Wales, Victoria and Western Australia. This represents the foundation for growth of ASGL in those states. This growth will come from further strategic acquisitions and greenfield investment opportunities nationally.

The integration of the businesses in the Initial Portfolio is a priority for ASGL, along with acquisition integration, realisation of synergies and vendor relationships. The characteristics of the Company's Initial Portfolio are summarised as follows:

- acquisition of businesses within the automotive retail and distribution industry;
- integration of a network of eight (8) businesses which provide products and services to a broad sector of the automotive industry;
- businesses with established long term relationships with clients and suppliers; and
- retention of existing branding for each of the Initial Portfolio in order to preserve existing goodwill in their respective businesses and retain recognition among their existing clients.

#### 5.2 Business activities

The ASGL strategy is to create an automotive solutions Company focused on the 4x4/SUV market. Management intend to achieve this strategy through acquisition and organic growth opportunities, focusing on the design, manufacturing, distribution and retail of:

- parts;
- accessories;
- vehicle performance and technology enhancements;
- body modification; and
- fitment and servicing,

to private and fleet vehicle owners through retail and trade outlets.

ASGL will provide nationwide service solutions to fleet, 4x4 and recreational vehicle owners and operators through:

- Acquisition – Identification and acquisition of established automotive service and accessory retail businesses;
- Synergies – Integration and realisation of synergistic benefits from supply chain, operational and administrative opportunities;
- Organic and Greenfield – Creation of a national automotive service company through acquiring existing and establishing new 4x4/SUV and fleet aftermarket showrooms aligned to performance, mechanical and automotive service centres; and
- Technology – Commercialising emerging automotive Intellectual Property and software technology through the ASGL network.

## 5.3 Directors and management

### 5.3.1 Board of Directors

#### **TOM PHILLIPS - Independent Executive Chairman**

Tom was appointed independent Non-Executive Chairman in November 2016.

Tom had a forty year career in the automotive industry before retiring as the CEO of Mitsubishi Motors Australia Limited in October 2005. Prior to joining Mitsubishi Motors he held senior executive roles with Toyota Australia for fifteen years where his last appointment was as director, sales and marketing. The Toyota experience, in particular, had a strong emphasis on the 4wd market where Toyota products were dominant. In 2002 Tom was named South Australia's business man of the year and in 2007 he was appointed as a member of the order of Australia (AM) for his contribution to the automotive industry and the community. Since leaving Mitsubishi, Tom has held numerous board roles. These include:

- director, Australia Post;
- chair, Safework Australia;
- director, Intercast and Forge; and
- chair, SA Training and Skills Commission.

#### **BRYCE WEDEMEYER – Chief Operating Officer and Non-Executive Director**

Bryce was appointed Non-Executive Director in August 2016 and Chief Operating Officer on 19 May 2017.

Bryce is a commercially focused, results orientated professional with 15 years' experience in finance, investment markets, business management and law. Bryce has held senior management roles within both the private and public sector and has experience in dynamic and difficult environments. He is a leader with the ability to add value, improve efficiencies and drive change in organisations. Bryce has considerable experience and proven successes in advisory, mergers and acquisitions, corporate restructuring, and debt and equity financing from his time working in the law and for major accounting firms.

#### **MARK LARKHAM – Independent Non-Executive Director**

Mark was appointed independent Non-Executive Director in November 2016.

Mark is a well-known motorsport professional having had a successful career as a championship driver and team owner. During his time at the top level of the sport in Australia, Supercars, Mark was responsible for identifying, securing, managing and maintaining an annual multi-million dollar income stream via sponsorship, merchandising and endorsements. This provided him with the opportunity to hone his extensive commercial, marketing and public relations skills over his career.

Mark was a foundation member of Touring Car Entrants Group Australia Pty Ltd or 'TEGA'. He was elected to the Board of Directors of TEGA, and subsequently joined the Board of Directors of Australian Vee Eight Super Car Company Pty Ltd, which later became V8 Supercars Australia Pty Ltd. He served eight terms on this during 1998–2006.

Today, Mark is a Motorsport commentator for Network 10 as well as Director of the Australian Institute for Motorsport Safety, a not for profit organisation established by the Confederation of Australian Motor Sport.



#### **PETER ALEXANDER - Independent Non-Executive Director**

Peter was appointed independent Non-Executive Director in November 2016.

Peter has over 20 years' experience in the automotive industry. Starting his career as an apprentice motor mechanic, he transitioned his career through MYER into Finance and Accounting roles and then went on to IVECO. Peter developed into roles such as National Sales and Marketing Manager. He was recruited to Subaru Australia holding several positions including General Manager Marketing – Retail and playing a substantial role in that brand's success and a key role in Subaru's Industry leading changes to their automotive distribution channel.

Peter joined the Australian and New Zealand wholly owned subsidiary of Polaris Industries (NYSE: PII) in 2004 as Managing Director. He was tasked with transitioning an underperforming private distributorship into a wholly-owned subsidiary. Today, Peter is credited within Polaris as being responsible for making Polaris Australia and New Zealand the most successful international and highest volume Polaris business outside North America. Peter also has a proven record for identifying business opportunities. He launched Victory Motorcycles in the Australian market with their Melbourne flagship store becoming the second highest volume dealership in the world within its first year. In 2013, the Australian business was recognised as an integral platform for Polaris in the global re-launch of Indian Motorcycles. Polaris operates in more than 100 countries yet the strategy Peter led in relation to the Australian company owned flagship motorcycle store strategy is unique.

In 2016 Peter was awarded the position of Vice President within Polaris Industries in addition to his role as Managing Director for Australia and New Zealand.

#### **5.3.2 Executive Management Team**

##### **EVAN CAMILLERI - Company Secretary and Chief Financial Officer**

Evan was appointed Company Secretary in August 2016 and Chief Financial Officer in November 2016.

Evan is an experienced finance professional with senior leadership experience in manufacturing, franchising, retailing and wholesaling businesses, including in multisite automotive and operational businesses. Evan has held senior finance roles in fast moving consumer goods ('FMCG') businesses MARS Australia Pty Ltd and Lion Pty\ Ltd (Nathan), and more recently in a pioneering automotive joint-venture with Suncorp. Evan has also held senior commercial planning and leadership roles in the retailing and wholesaling business, Godfreys, throughout a period of private-equity ownership and transformation.

Evan was instrumental in the joint venture between Suncorp Group Limited and Capital S.M.A.R.T Repairs Australia Pty Ltd which has revolutionised the Australian automotive repair industry. Evan held a number of roles in the joint venture business between 2011 and 2016, including CFO and General Manager – Finance. Evan was a key member of the venture's start-up leadership team, driving the growth of the business from a single concept site to a \$300M revenue business employing 800 staff across 35 sites in Australia and New Zealand. Evan brings ASGL extensive business integration experience.

## Section 6

### INTERESTS OF DIRECTORS

#### 6.1 Interests of Directors in ASGL securities

The number and description of securities in ASGL or rights to securities in which each of the Directors has a relevant interest is set out in the following table.

Director	Number of securities or rights to securities
Peter Alexander	<i>Direct interest: 35,000 Fully paid ordinary Shares</i>
Mark Larkham	<i>Direct interest: 20,000 Fully paid ordinary Shares</i>
Thomas Phillips	<i>Direct interest: 20,000 Fully paid ordinary Shares</i>
Bryce Wedemeyer	<i>Direct interest: 20,000 Fully paid ordinary Shares</i> <i>In Direct interest: 2,500,000 Fully paid ordinary Shares</i>

#### 6.2 Dealings by Directors in ASGL securities

With the exception of 15,000 fully paid ordinary Shares purchased by Peter Alexander on 5 May 2017, there have been no acquisitions or disposals of securities or rights to securities in ASGL by any Director in the five months ending on 5 June 2017, being the last Business Day before this Target's Statement was printed.

#### 6.3 Interests and dealings in the Bidder

Neither ASGL nor any of the Directors has a relevant interest in securities of the Bidder or any Related Body Corporate of the Bidder.

#### 6.4 Benefits to Directors

As a result of the Offer, no benefit (other than a benefit permitted by section 200F or section 200G of the Corporations Act and compulsory superannuation entitlements) has been paid or will be paid to any Director, secretary or executive officer in connection with the loss of, or their resignation from, their office.

#### 6.5 Conditional agreements

No agreement has been made between any of the Directors and any other person in connection with or conditional upon the outcome of the Offer.

#### 6.6 Interests in contracts with the Bidder

No Director has any interest in any contract entered into by the Bidder.

## Section 7

### ADDITIONAL INFORMATION

#### 7.1 Other material information

This Target's Statement is required under the Corporations Act to include all the information that ASGL Shareholders and their professional advisers would reasonably require to make an informed assessment of whether to accept the Offer, but:

- only to the extent to which it is reasonable for ASGL Shareholders and their professional advisers to expect to find this information in this Target's Statement; and
- only if the information is known to any Director.

In this context, the Directors are of the opinion that the information that ASGL Shareholders and their professional advisers would reasonably require to make an informed assessment whether to accept the Offer is the information contained in:

- this Target's Statement;
- ASGL's releases to ASX prior to the date of this Target's Statement; and
- the Bidder's Statement.

The Directors have assumed, for the purposes of preparing this Target's Statement, that the information in the Bidder's Statement is accurate (unless they have expressly indicated otherwise in this Target's Statement). However, the Directors do not take any responsibility for the contents of the Bidder's Statement and are not to be taken to be adopting or endorsing, in any way, any of the statements contained in it.

In deciding what information should be included in this Target's Statement, the Directors have had regard to:

- the nature of the ASGL Shares;
- the matters that ASGL Shareholders may reasonably be expected to know;
- the fact that certain matters may reasonably be expected to be known to ASGL Shareholders' professional advisers; and
- the time available to ASGL to prepare this Target's Statement.

#### 7.2 Issued securities

The total number of ASGL Shares on 5 June 2017 (being the last Business Day before this Target's Statement was printed) was 50,345,622.

#### 7.3 Potential impact of Offer on financing arrangements and material contracts

The information below has been included in this Target's Statement because it may impact the future prospects of the ASGL Group, which would be relevant to those ASGL Shareholders who may remain as shareholders in ASGL.

The Offer will result in ASGL incurring expenses that ASGL would not have otherwise incurred. These expenses include legal and financial expenses from ASGL's advisers engaged to assist in this transaction and other transaction related expenses.

#### 7.4 Consents

GRT Lawyers Pty Ltd has given and before lodgement of this Target's Statement has not withdrawn its written consent to be named as the legal advisor to the Offer in the form and context in which it is so named.

GRT Lawyers Pty Ltd:

- (a) has not authorised or caused the issue of the Target's Statement;
- (b) does not make, or purport to make, any statement in this Target's Statement other than as specified in this Section; and
- (c) to the maximum extent permitted by law, expressly disclaims all liability in respect of, makes no representation regarding and takes no responsibility for, any part of this Target's Statement.

#### 7.5 Miscellaneous and publicly available information

Shareholders should have regard to material announcements that have been lodged with ASX since ASGL's last published updated financial statements for the quarter ended 31 March 2017 which were lodged with ASX on 4 May 2017. A list of the announcements released by ASGL in the period 19 December 2016 to 5 June 2017, the last Business Day before the date this Target's Statement was printed, is set out in Annexure A.

This Target's Statement also contains statements which are made in, or based on statements made in, documents lodged with ASIC or given to ASX by the Bidder and ASGL.

You should consider publicly available information regarding ASGL including information available on its website, ([www.asgl.com.au](http://www.asgl.com.au)), announcements made to ASX by ASGL and this Target's Statement that ASGL is required to provide to you under the Corporations Act.

#### 7.6 Date of Target's Statement

This Target's Statement is dated 6 June 2017, which is the date on which it was lodged with ASIC.

#### 7.7 Approval of Target's Statement

This Target's Statement has been approved by a resolution passed by the Directors of ASGL on 6 June 2017.



Tom Phillips  
Executive Chairman  
Automotive Solutions Group Limited

## Section 8

### GLOSSARY

#### 8.1 Definitions

ASGL or Company	Automotive Solutions Group Limited ACN 613 474 089.
ASGL Group	ASGL and its Related Bodies Corporate.
ASGL Share	an ordinary fully paid share in ASGL.
ASGL Shareholder or Shareholder	a registered holder of ASGL Shares.
ASIC	the Australian Securities and Investments Commission.
ASX	ASX Limited (ACN 008 624 691).
Bidder	AMA Group Limited ACN 113 883 560.
Bidder's Statement	the bidder's statement in relation to the Offer, prepared by the Bidder and dated 23 May 2017.
Board	the board of Directors of ASGL.
Business Day	a day on which: a) ASX is open for trading in securities; and b) banks are open for general banking business in Brisbane.
CGT	capital gains tax.
Competing Proposal	any proposal or transaction, which, if completed, would mean a person (other than the Bidder or any associate of the Bidder) would: a) acquire control of ASGL, within the meaning of section 50AA of the Corporations Act, or a material part of ASGL's business; or b) otherwise acquire or merge (including by a reverse takeover bid or dual listed ASGL structure) with ASGL.
Corporations Act	Corporations Act 2001 (Cth).
Directors	the current directors of ASGL.
EBIT	earnings before interest and tax.
Enterprise Value or EV	means the market value of equity plus the market value of hybrid securities (if any) plus the market value of net debt plus minority interest (if any).
Foreign Shareholder	any ASGL Shareholder whose registered address as noted in the ASGL register, is outside of Australia.
Offer	the takeover offer by the Bidder for ASGL Shares under Chapter 6 of the Corporations Act as described in the Bidder's Statement.
Offer Period	has the meaning it is given in the Bidder's Statement.
Offer Price	has the meaning it is given in the Bidder's Statement.
Related Body Corporate	has the same meaning as in the Corporations Act.
Relevant Interest	has the same meaning as in the Corporations Act.
Superior Offer	a) a Competing Proposal; or b) variation to the Offer by the Bidder, which ASGL determines to be more favourable to Shareholders than the Offer, taking into account all terms and conditions of the Competing Proposal or variation to the Offer by the Bidder.
Takeovers Panel	the Takeovers Panel of Australia.
Target's Statement	this booklet.

## 8.2 Interpretation

Unless the context otherwise requires:

- headings used in this Target's Statement are inserted for convenience and do not affect the interpretation of this Target's Statement;
- words or phrases defined in the Corporations Act have the same meaning in this Target's Statement;
- a reference to a "Section" is a reference to, as relevant, a section of this Target's Statement or the Bidder's Statement;
- a reference to a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;
- the singular includes the plural and vice versa;
- the word "person" includes an individual, a firm, a body corporate, a partnership, a joint venture, an unincorporated body or association, or any government agency; and
- Australian dollars, dollars, A\$ or \$ is a reference to the lawful currency of Australia.





## Section 9

### CORPORATE DIRECTORY

#### BOARD OF DIRECTORS

##### Executive Chairman

Tom Phillips

##### Executive Director

Bryce Wedemeyer

##### Non-Executive Director

Mark Larkham

Peter Alexander

#### REGISTERED OFFICE

Emirates House, Level 9, 167 Eagle Street

Brisbane QLD 4000

Phone: +61 7 3607 3836

#### SHARE REGISTRY

Link Market Services Limited

Level 15, 324 Queen Street

Brisbane QLD 4000

#### SHAREHOLDER INFORMATION LINE

07 3607 3836 (within Australia)

+61 7 3607 3836 (outside of Australia)

Available Monday to Friday between

8.30am and 5.30pm (AEST)

#### LEGAL ADVISERS

GRT Lawyers

Level 2, 400 Queen Street

Brisbane QLD 4000

Phone: +61 7 3309 7000

Fax: +61 7 3309 7099

## Annexure A

### LIST OF MATERIAL ANNOUNCEMENTS

The following table contains a list of all announcements released by ASGL in the period 19 December 2016 to 5 June 2017 (being the last Business Day before this Target's Statement was printed).

No.	Title of Announcement	Date of Announcement
1.	Second Replacement Prospectus	19/12/2016
2.	Pre-quotation disclosure statement	20/12/2016
3.	Employee Limited Recourse Loan Plan (offer terms)	20/12/2016
4.	Employee Limited Recourse Loan Plan (Rules)	20/12/2016
5.	Securities Trading Policy	20/12/2016
6.	Constitution	20/12/2016
7.	Information Form and Checklist	20/12/2016
8.	Appendix 1A Listing Application and Agreement	20/12/2016
9.	Top 20 Holders	20/12/2016
10.	Distribution Schedule	20/12/2016
11.	Pre-Quotation Disclosure	20/12/2016
12.	Admission to Official List	20/12/2016
13.	ASX Notice	20/12/2016
14.	Initial Directors Interest Notice	22/12/2016
15.	Initial Directors Interest Notice	22/12/2016
16.	Initial Directors Interest Notice	22/12/2016
17.	Initial Directors Interest Notice	22/12/2016
18.	Initial Directors Interest Notice	22/12/2016
19.	Becoming a substantial holder	22/12/2016
20.	Shareholder Update	23/12/2016
21.	Becoming a substantial holder	23/12/2016
22.	Quarterly Cash Flow Report and Update	31/01/2017
23.	Change of Registered Office	13/02/2017
24.	Market Update	15/02/2017
25.	Market Update	28/02/2017
26.	Appendix 4D - Half Yearly Report and Accounts	28/02/2017
27.	Market Update - Contract Extension	1/03/2017
28.	Change in substantial holding	2/03/2017
29.	4WD Investor Presentation	7/03/2017
30.	ASG Launches Prototype Vehicle	19/04/2017
31.	ASGL Trading and Profit Guidance Update	26/04/2017
32.	Quarterly Cash Flow Report Appendix 4C	28/04/2017
33.	Updated Quarterly Cash Flow Report Appendix 4C	4/05/2017
34.	Change of Director's Interest Notice	5/05/2017

No.	Title of Announcement	Date of Announcement
35.	Change in substantial holding	5/05/2017
36.	ASGL Investor Update	5/05/2017
37.	AMA: Equity Interest in Automotive Solutions Group Ltd	8/05/2017
38.	Market Update	9/05/2017
39.	Becoming a substantial holder from AMA	9/05/2017
40.	Ceasing to be a substantial holder	9/05/2017
41.	Change in substantial holding	10/05/2017
42.	Market Update	19/05/2017
43.	Final Director's Interest Notice	22/05/2017
44.	AMA: Bidders Statement Automotive Solutions Group Ltd	23/05/2017
45.	AMA: Bell Potter to act for AMA in 4WD Takeover	23/05/2017
46.	ASX Announcement - Response to Takeover Offer	24/05/2017
47.	Change in substantial holding from AMA	05/06/2017